



IMPROVING THE SYSTEM OF FINANCIAL SUPPORT OF AGRICULTURE BY THE STATE

Jabborov Jahongir Abduvohid o'g'li

Graduate student of Termiz State University, Uzbekistan

Olokulova Feruza Mansurovna

Associate Professor, Ph.D, Department of Finance and Financial Technologies,
Termiz State University, Uzbekistan

Abstract: It is important to develop and implement measures aimed at financial support of the agricultural sector. In particular, it is appropriate to finance animal husbandry, horticulture, vegetable growing, greenhouses, poultry farming and other areas from the fund in the direction of providing subsidies. In terms of credit allocation, long-term preferential loans and leases to the agricultural sector by the state through commercial banks, as well as compensation from state funds for a certain period of time to partially cover the loans allocated by commercial banks.

Keywords: financing methods, agricultural sustainability, innovative finance, economic landscape, financial institutions, agricultural development.

Introduction

Investments according to the financial definition are all types of funds put into economic activity for the purpose of making a profit: and according to the economic definition, they are investments for the creation, expansion, restoration and technical re-equipment of fixed and working capital. From the point of view of production, investments mean new capital, including means of production and intellectual potential, the process of organizing reproduction. Ensuring economic stability in our republic requires, first of all, directing domestic and foreign investments to the agro-industrial complex, as well as to the agricultural sector. In foreign trade, economic, including investment policies and relations, the following directions are considered to be of priority and importance:

- development and further strengthening of export potential in the agricultural sector, formation of an export-oriented economy;
- development of joint enterprises that process valuable raw materials and produce ready-made products on the basis of agriculture, in order to expand export opportunities in the republic's agriculture, to enter world markets. Establishment of modern enterprises in cooperation with foreign partners, production of competitive products based on providing them with advanced technologies;
- consistent implementation of the policy aimed at reducing the weight of imports (increasing the volume of net exports) along with the active application of the strategy aimed at expanding exports, ending the



excessive reduction of goods and products that can be produced;

- to further liberalize foreign economic activity, to give more freedom to economic entities, to establish direct relations with foreign partners, to sell their products in foreign markets, to further expand the system of preferences in the export and import of goods;
- to create a system of legal, socio-economic conditions necessary for attracting foreign investments to the republic's economy on a large scale and to coordinate them in accordance with external economic changes;
- to create a complex of components of foreign economic activity - specialized foreign trade, leasing, consulting and insurance companies, transport, communication and communication systems that correspond to the interests and conditions of the development of foreign trade relations.

Investments are classified according to different characteristics: net investments due to the need to increase fixed capital and gross investments due to the need to cover the depreciation of fixed assets. Investments also differ depending on the targeted object. Property, financial instruments, and intangible assets can serve as such objects. According to the direction of influence, it can be divided into: replacement, expansion, renewal of the composition of funds.

Investments are divided into the following types in terms of objectives and associated risks:

- venture (characteristic of risk);
- straight away;
- portfolio;
- annuity.

Risky investments, or venture capital, are high-risk capital investments. Venture capital is an investment in new shares issued in new types of activities with high risk. Venture capital is mainly found in activities related to innovative and new technologies.

Another important means of managing and regulating the economy by the state is financial sanitization.

Sanitation is carried out in order to bring out large enterprises important for the economy from a difficult situation, to ensure their normal operation, and to keep the number of competing enterprises at the required level without allowing them to go into mass bankruptcy.

Sanitization is carried out in the following ways:

- write off the company's debt or pay it at the expense of others;
- delaying the debt repayment period;

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- reducing the interest rate for the loan or not receiving interest at all;
- granting tax relief to the enterprise;
- conversion of tax into credit;
- placing an order with the enterprise and paying for it in advance;
- allocation of subsidy;
- granting export privileges to the enterprise.

The participation of the state in rehabilitation takes into account two conditions. The first is that the enterprise should be of great importance for the national or regional economy, and the second is that there should be other objective reasons that are independent of the enterprise.

The transition to the market economy is accompanied by a sharp differentiation of incomes and the stratification of the population according to the standard of living. In order to avoid the division of society into extreme rich and extreme poor, the state has to undertake the task of income redistribution.

Such distribution is carried out through progressive personal income taxation and transfer payments.

Transfer payments are transfer payments, one of the forms of redistribution of state budget funds.

These fees are:

- providing subsidies to private entrepreneurs;
- interest payments on state debts;
- can be in the form of funds paid by the state for social needs.

Transfer payments allocated to social needs are in the form of benefits to disadvantaged groups, the disabled, the elderly and dependents, and the unemployed.

Literature review

A. Dolgova, Yu. Korolev, V. Maslova, Yu. Trushin, R. Yunyaeva, A. Antipenko, G. Zakharova from foreign scientists on the theoretical-scientific, methodological and practical problems of improving the mechanism of financial support of the agricultural sector , F.Gaforov, Ye.Shkarupa, L.Popova, E.Axelrad, O.Omobitan and others conducted research.

Local economists A.Vahobov, R.Khusanov, K.Chariev, R.Dusmuratov, T.Farmonov, I.Ergashev, A.Boymuratov, G.Makhmudova, M.Khojiboyev, R.Imomov, D.Murodova, G.Tajenova and others have conducted their scientific research in this direction. Despite the scientific and theoretical research carried out

within the framework of these studies, the issues related to the financial support of the agrarian sector are not sufficiently studied, which determines the need to develop proposals and recommendations in these directions.

Main body

According to the strategy of agricultural development of the Republic of Uzbekistan for 2020-2030, the sustainable development of the agricultural and food industry of the Republic of Uzbekistan in the future requires conducting state policy based on new approaches. The strategy of agricultural development of the Republic of Uzbekistan for 2020-2030 (hereinafter - the Strategy) serves to implement these tasks.

The main goal of this Strategy is to fundamentally improve the state policy while deepening the reforms aimed at increasing the competitiveness of the agricultural and food industry, and covers the following priority areas:

- ensuring food safety of the population;
- creating a favorable agribusiness environment and value added chain;
- reducing state participation in industry management and increasing investment attractiveness;
- ensuring rational use of natural resources and environmental protection;
- development of modern systems of state administration;
- gradual diversification of state expenditures aimed at supporting the network;
- development of the system of science, education, information and consulting services in agriculture;
- development of rural areas;
- development of a transparent system of network statistics.

Table 1

The main indicators and indicators to be achieved as a result of the implementation of the strategy for the development of agriculture of the Republic of Uzbekistan for 2020-2030

No	Indicators name	Foundation (2018)	The goal is 2021	The goal is 2025	2030 goal
1.	Village in the farm added of value yearly growth	117.3 trillion soum (14 billion USD .)	3%	5%	5%
2.	Village Farm Food industry	3 671 300	2%	1%	1%
	Textiles industry	91 420	3%	4%	5%

		140 200	3%	4%	5%
3.	Village farm and food of products export of size increase	2.3 billion USA dollar	3.5 billion USA dollar	10 billion USA dollar	20 billion USA dollar
4.	Population in the middle to those who do not eat share	6.3%	5%	3%	0
5.	Village in the farm work productivity increase (one person to the worker one in in dollars)	3,960 US dollar	4,300 US dollar	5,200 US dollar	6,500 US dollar
6.	Village in the farm greenhouse gas waste reduce	15,740 gigagrams (year 2016)	10%	30%	50%

Table 2

Uzbekistan Republic village farm development is intended for 2020-2030 strategy done increase as a result priority directions in the section attainable main indicators

No	Indicators name	Foundatio n (2018)	The goal is 2021	The goal is 2025	2030 goal
I. Population food safety provide					
1.1	Average grain size productivity increase	43 ts / ha	60 ts / ha	70 ts / ha	75 ts / ha
1.2	Cows average milk productivity increase	2 320 kg / head	2,700 kg / head	3 100 kg / head	3,500 kg / head

1.3	General plant fields in the composition food crops fields share	7%	10%	12%	15%
II. Comfortable agribusiness environment and added value the chain Create					
2.1	Village farm enterprises and associations in partnership work issued of products in export share	2%	15%	23%	30%
2.2	Uzbekistan village farm and food product brand current reach and promote to do	Few products cover received brand	5 additional product cover is taken	20 extras product cover is taken	40 extras product cover is taken
2.3	World Bank Global Logistics efficiency index according to Uzbekistan place improvement (Logistics Performance Index)	99th place	96th place (to 3 points raise)	89th place (To 10 points raise)	79th place (to 20 points raise)
2.4	General export in size again processed products share growth	25%	30%	35%	40%
2.5	Food and light in industry of workers share (village in the farm of workers common to the number relatively in percent)	6%	10%	15%	20%
III. In field management state participation reduce and investment attractiveness increase					

3.1	World Bank's " Village in the farm business in development "Enabling the Business of Agriculture" index according to rating raise	Rating is not maintained	Rating installation	Rating 5 to the point increase	10 rating to the point increase
3.2.	Village farm and food to business attraction done of investments common of size the growth of o	650 mln USA dollar	20%	40%	80%

Priority directions of the strategy

I. Ensuring food security of the population

Food security depends on a wide range of socio-economic, demographic and environmental factors and is one of the main components of the country's development.

The state policy of food security is developed and implemented on the four components of food security (availability of food, ability to purchase it, its use and its sustainability).

Population growth, increased demand for land, water and energy resources, as well as drastic climate change are the main factors affecting food security.

In recent years, as a result of the implementation of a number of measures to strengthen food safety in our country, Uzbekistan has managed to strengthen its position in the world and has gradually improved its position in global rankings. In 2018, the Republic of Uzbekistan took 52nd place among 119 countries according to the Global Hunger Index, reaching a "moderate" level with an index of 12.1.

However, achieving the stability of the supply of food products for the population in need of social protection, increasing the purchasing power of low-income families, and preventing sudden changes in the price and quantity of products are among the problems that need to be solved.

The main goal of this priority direction is to develop and effectively implement a state policy aimed at ensuring food security for all residents of the republic.

The priority direction is aimed at providing the population with safe and high-quality food products at stable prices. This serves to achieve the Sustainable Development Goals (SDGs) of the Republic of Uzbekistan, including the goals set in the UN's 2nd SDG "End hunger, ensure food security, improve consumption and promote sustainable agriculture."

To achieve this goal, the following tasks are defined:



- improvement of the mechanisms of providing food to the population in need of social protection, as well as integration of producers of agricultural products with social facilities;
- introduction of the system of state intervention purchases in the cultivation of spiked grain, gradual abandonment of the mechanism of state regulation of prices of agricultural and food products, and introduction of the mechanism of purchase of spiked grain at market prices based on quota;
- development of a long-term program to promote a healthy consumer culture;
- implementation of a food safety assessment system based on internationally recognized methodologies and best practices and continuous monitoring;
- development of network programs to intensify the production of socially important products;
- conducting research aimed at increasing productivity in animal husbandry, sustainable intensification of fish and poultry meat, as well as milk production.

One of the main tasks of factor analysis is to model the relationship between factor and outcome indicators. Modeling is an important method of scientific knowledge, which means creating a model (conditional appearance, expression, style) of the object being studied. Its essence is that the correlation of the studied indicators with the factors is given in the form of precise mathematical equations.

Currently, the share of government spending on agriculture in GDP (1.68 percent) is almost three times higher than that of non-OECD countries (0.62 percent), middle-income countries, and OECD countries (0.17) is ten times more.

Nevertheless, efficiency and competitiveness in agriculture and producer incomes remain relatively low.

Most of the state financing of the sector is directly used for irrigation (63 percent) and is mainly aimed at supporting cotton and grain production. A large part of the budget funds is used to cover the electricity of pumping stations, as a result, the costs of operation and maintenance, development and modernization of existing irrigation and drainage systems are not fully covered.

Currently, a large part of the support of general services is reflected in the state budget as an "other" expenditure item, which indicates the lack of strategic planning of state expenditures in the sector. In the budget system, there is no link between international financial and credit programs to support the sector (more than 3.5 billion US dollars) and the state's major investment programs or strategic planning processes.

For the development of agriculture, it is necessary to review the amount of budget funds allocated to the following state programs and services and to improve the financing system:

- environmental protection, improvement of soil fertility and introduction of water-saving technologies;
- food safety, animal disease control, veterinary and phytosanitary services;
- support of various forms of associations (cooperatives, clusters, production associations);
- improvement of the system of statistical data collection and monitoring of agricultural markets, development of market and transport-logistics infrastructure;
- development of the system of applied research and research, education and knowledge dissemination in the field of agriculture.

The main goal of this direction is to increase the efficiency of the use of funds through the gradual redistribution of state financial resources allocated to agriculture, which are directed to the provision of basic state services and the implementation of structural change programs in accordance with the new priorities of the agrarian policy.

Conclusion

Sources and mechanisms of financial support of the agricultural sector and economic entities, development of a system of economic and financial measures aimed at the sustainable development of enterprises and their improvement in accordance with the requirements of the introduction of digital economy and technologies. agriculture and animal husbandry provide ample opportunities to increase the volume and efficiency of food production. Currently, the low level of financial status of agricultural enterprises is not only due to the lack of financial support of the state and its own financial resources, but also the lack of skilled and experienced personnel who can widely implement important investment projects for the agricultural sector. remains. Sources and mechanisms of financing the agricultural sector are of particular importance as direct and indirect ways of the state influencing the development of this sector. Financial mechanisms for supporting the agricultural sector include a large number of components, namely, subsidies, various types of investments, preferential loans, leasing, customs, taxes, insurance, price mechanism and other types of financial levers.

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